

Alton Coal Development, LLC

463 North 100 West, Suite 1 Cedar City, Utah 84720 Phone (435) 867-5331 • Fax (435) 867-1192 C/025/605 Incoming #3338

June 15, 2009

Daron Haddock, Permit Supervisor Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

Re: C/025/0005 – Initial Response to UDOGM Technical Analysis (Task ID #3100),

received April 22, 2009

Dear Mr. Haddock,

Based on our review of the Technical Analysis (TA) for permit application C/025/0005 provided to Alton Coal Development, LLC (ACD) on April 22, 2009 by the Division, this initial response is provided to address issues separate from the technical response and modifications to the Mine and Reclamation Plan (MRP). This is not a complete response to the TA and a technical response, which will include modifications to the MRP, will be provided at a later date.

This review of the TA has been completed by the technical team of experts who have developed the MRP, in consultation with ACD attorneys. The technical team includes: Erik Petersen, P.G. (Petersen Hydrologic), Dr. Patrick Collins (Mt. Nebo Scientific), Robert E. Long, CPSS (Long Resource Consultants), Dr. Steven Petersen (Professor, BYU), and Chris McCourt, P.E (ACD). Concerns that have developed as a result of this review, which are addressed in this initial response include: inaccurate information, misapplication of data/reference material, requirements for permit approval that are outside the Division's regulatory authority, and requirements which provide minimal to no technical basis as justification.

In this initial response, each individual item of concern is bulleted and the Division's quote (as it appears in the TA) is provided in standard font followed by the ACD response which is in italic font. This information is separated into two sections: Deficiencies and Correction of Technical Analysis Statements. In addition to each response, there are also eight exhibits provided as either legal or technical sources to provide supporting information for the ACD responses. The enclosed document addresses each item (as described above) of concern resulting from the ACD review.

Sincerely,

Chris McCourt, Manager

JUN 16 2009

DIV. OF OIL, GAS & MINING

Confidential Expandable

//For additional information

APPLICATION FOR COAL PERMIT PROCESSING

Permit Chan	ge New Permit Renewal Exploration Bond Release	Transfer T	
	Alton Coal Development, LLC		C/025/0005
Mine:	Coal Hollow	Permit Number:	C/025/0005
Title:	Initial Response to Division Technical Analysis - Task ID #3100		
	Include reason for application and timing required to implement:		
-	t is submitted as an initial response to the Division's Technical Analysis - Task		
Yes No Yes Yes No Yes Y	 Is the application submitted as a result of a Division Order? DO# Does the application include operations outside a previously identified. Does the application include operations in hydrologic basins other the substitution of the application result from cancellation, reduction or increase. Does the application require or include public notice publication? Does the application require or include ownership, control, right-of-substitution. Is proposed activity within 100 feet of a public road or cemetery or substitution. Is the application submitted as a result of a Violation? NOV # Is the application submitted as a result of other laws or regulations of Explain: 	Area:	increase decrease. ologic Impact Area? oved? nation bond? information?
Yes	12. Does the application require or include underground design or mine 13. Does the application require or include collection and reporting of a 14. Could the application have any effect on wildlife or vegetation outs 15. Does the application require or include soil removal, storage or place 16. Does the application require or include vegetation monitoring, removal 17. Does the application require or include construction, modification, of 18. Does the application require or include water monitoring, sediment 19. Does the application require or include certified designs, maps or ca 20. Does the application require or include subsidence control or monitor 21. Have reclamation costs for bonding been provided?	sequence and timing my baseline informati ide the current disturb mement? oval or revegetation ac or removal of surface or drainage control malculation? oring? me or discharges to a s mits issued to other en marked and separa	on? ped area? ped area? ped area? facilities? peasures? tream? tities? ted in the plan?
And belief in all reconstruction. Print Name Subscribed and some	worn to before me this 5 day of June, 2009 Apple , state of Utah. Expres: May 17, 2013	click above choose certify RYAN Notary State	the best of my information then have notary sign below) ALLEN Public Utah 570016
For Office Use	Only: Assigned T Numb		JUN 1 6 2009
		de La	DIV. OF OIL, GAS & MININ

RYAN ALLEN
Notary Public
State of Uteh
Comm. No. \$70016
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APPLICATION FOR COAL PERMIT PROCESSING Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permitte Mine:	Coal Hollo	l Development, I w		Permit Number:	C/025/0005
Γitle:	Initial Res	ponse to Division	Technical Analysis - Task ID #3100		
pplication f conten	on. Individually	list all maps are plan, or other	to the Mining and Reclamation Plan, which is requal drawings that are added, replaced, or removed finformation as needed to specifically locate, identically drawing number as part of the description.	rom the plan. Include	changes to the table
			DESCRIPTION OF MAP, TEXT, OR MA	TERIAL TO BE CH	IANGED
Add	Replace	Remove	None		
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Any other specific or special instruction required for insertion of this proposal into the					y Oil, Gas & Mining
•	and Reclamation			В	ECEIVED
pecifica pproval	ally addresses in that are outside	accuracies, misa the Division's	response to the Technical Analysis. This response application of data/reference material, requirement regulatory authority and requirements that provide	s for	JUN 16 2009
			ation. Therefore, there are no proposed changes to	o the	OF OIL, GAS & MININ